



JAMES A. NOYES, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

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IN REPLY PLEASE
REFER TO FILE: **PM-2**

August 29, 2002

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**LAC+USC MEDICAL CENTER INTERNS/RESIDENTS DORMITORY
EARTHQUAKE RECOVERY PROJECT
APPROVE REVISED PROJECT BUDGET
AWARD CONSTRUCTION CONTRACT
SPECS. 5576; LACO 4946; DSR 15384
SUPERVISORIAL DISTRICT 1
3 VOTES**

**JOINT RECOMMENDATION WITH THE CHIEF ADMINISTRATIVE OFFICER THAT
YOUR BOARD:**

1. Approve the revised total project budget of \$997,000 for the earthquake repair of the LAC+USC Medical Center Interns/Residents Dormitory.
2. Award and authorize the Director of Public Works to execute a construction contract in the form previously approved by County Counsel to Syram International, Inc., for the LAC+USC Medical Center Interns/Residents Dormitory earthquake recovery project for \$604,500 to be financed from the FEMA Grant Acceleration Program and a net County cost commitment, and establish the effective contract date following receipt of approved Faithful Performance and Labor and Materials Bonds filed by the contractor.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Interns/Residents Dormitory building, constructed in 1964 as housing for hospital interns and residents, sustained damage during the Northridge Earthquake to shear walls from the ground to the third floor and in the retaining walls. The project will repair the damaged shear walls using shotcrete and epoxy injection, patch and paint cracks throughout the building, and Title 24 accessibility compliance work. The building is in use as employee health services clinics, outpatient clinics, and offices.

On April 30, 2002, your Board adopted plans and specifications for the project at an estimated construction cost between \$311,400 and \$428,000 including additive alternates. The low bid is higher than the architect/engineer's estimate, and all bids exceed the construction cost estimate range. The cost of daily requirements to protect office equipment and furnishings during construction and to return the space to operation each morning was more significant than anticipated. The increase in construction cost reflects added daily mobilization cost as well as current bidding and market trends. The bids range from \$575,975 to \$626,500 and are within a 6 percent variant.

On May 21, 2002, Pinnacle Development submitted the apparent low bid of \$575,975. On May 22, 2002, Pinnacle submitted a request to withdraw its bid because of a clerical error. Supporting data regarding the request has been reviewed and County Counsel concurs with the approval of Pinnacle's request to withdraw its bid. Pinnacle's bid withdrawal will not impact the final construction schedule. Therefore, we recommend your Board award the construction contract to the next apparent lowest responsible bidder, Syram International with its bid of \$604,500.

The revised project budget of \$997,000 is a net \$249,000 increase to the approved budget. The increase consists of \$202,600 in construction costs and \$46,400 for additional night inspection services and contract administration costs to address the bid withdrawal.

Implementation of Strategic Plan Goals

These actions meet the County's Strategic Plan Goal of Service Excellence since the repairs will improve the facility and restore its use to the community. Completing the repair project will give the public access to a safer building, which could prevent injuries or loss of life from future seismic events.

FISCAL IMPACT/FINANCING

The recommended construction contract with Syram International is for \$604,500. In addition, a change order contingency fund, equal to approximately 15 percent of the construction cost, is included in the project budget. No expenditures from the fund will be made without the Chief Administrative Office's review and authorization.

The total estimated cost of the project is \$997,000. The repair of the facility is funded by the FEMA Grant Acceleration Program and a net County cost commitment, as appropriate, through the Federal and State Disaster Aid Budget. Subject to expenditure audits and approvals by FEMA/OES, the anticipated net County cost commitment for the Interns/Residents Dormitory is \$210,369. The Project Schedule and Budget Summary are included in Enclosure A.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The apparent low bidder, Pinnacle Development, requested to be relieved of its bid due to a clerical error in computing its bid. Pinnacle has submitted sufficient evidence to demonstrate that the bidder's error meets the statutory requirements to be relieved of its bid and the forfeiture of its bid bond.

The Director recommends that the contract be awarded to the next lowest responsible bidder, Syram International.

A standard contract, in the form previously approved by County Counsel, will be used. The standard Board-directed clauses that provide for contract termination, renegotiation, and hiring qualified displaced County employees will be included in the contract.

The project specifications contain provisions requiring the contractor to report solicitations of improper consideration by County employees and allowing the County to terminate the contract if it is found that the contractor offered or gave improper consideration to County employees.

As requested by your Board on August 12, 1997, and as a threshold requirement for consideration for contract award, Syram International, is willing to consider Greater Avenues for Independence Program participants for future employment.

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As required by your Board, language has been incorporated into the project specifications stating that the contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the Federal income tax laws.

Syram International is in full compliance with Los Angeles County Code Chapter 2.200 (Child Support Compliance Program) and Chapter 2.203 (Contractor Employee Jury Service Program).

ENVIRONMENTAL DOCUMENTATION

On April 30, 2002, your Board found the project categorically exempt. Under DSR 15384, FEMA has determined that this project qualifies as a statutory exclusion from the National Environmental Policy Act in accordance with Part 10 of the 44 Code of Federal Regulations.

CONTRACTING PROCESS

On April 30, 2002, your Board adopted plans and specifications for the project at an estimated construction cost between \$311,400 and \$428,000 and instructed the Executive Officer to advertise for construction bids. On May 21, 2002, three bids were received. On May 22, 2002, Pinnacle Development requested to be relieved of its bid due to a clerical error. Syram International, with a bid of \$604,500, was the apparent lowest responsible bidder meeting the criteria adopted by your Board. The low bid was determined based on the lump sum bid, 200 hours relocation labor, epoxy injection, extended overhead for 30 days, and all three alternatives. The contract amount will include the base lump sum bid, Alternative 2 to paint the entire exterior of the building, Alternative 3 to replace all tile in the women's restroom that receive Title 24 compliance work, and a relocation allowance. Alternative 1, the partial painting of the building exterior, was not used. The bid results are summarized in Enclosure B.

As requested by your Board on February 3, 1998, this contract opportunity was listed on the Office of Small Business website.

Syram International's Community Business Enterprise participation data and three-year contracting history with the County are on file with Public Works.

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IMPACT ON CURRENT SERVICES (OR PROJECTS)

The Interns/Residents Dormitory building will remain open and operational with localized impacts. Two administrative offices will be temporarily relocated during construction and construction work in other occupied areas will be performed at night. The project specifications include language instructing the contractor to coordinate construction activities with Health Services and Public Works to minimize disruption of operations. Health Services will modify its current operations in support of this construction. All construction activities will be closely monitored to ensure the safety and security of the patients and staff at the Interns/Residents Dormitory. There will be no impact on the adjacent LAC+USC Medical Center Replacement project.

CONCLUSION

Please return one adopted copy of this letter to the Chief Administrative Office and Public Works.

Respectfully submitted,

JAMES A. NOYES
Director of Public Works

DAVID E. JANSSEN
Chief Administrative Officer

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Enc. 2

cc: County Counsel
Department of Health Services
Department of Public Social Services (GAIN Program)
Office of Affirmative Action Compliance

August 29, 2002

ENCLOSURE A

**LAC+USC MEDICAL CENTER INTERNS/RESIDENTS DORMITORY
EARTHQUAKE RECOVERY PROJECT
APPROVE REVISED PROJECT BUDGET
AWARD CONSTRUCTION CONTRACT
SPECS. 5576; LACO 4946; DSR 15384**

I. PROJECT SCHEDULE

Project Activity	Scheduled Completion Date	Revised Completion Date
Project Program	09/15/99*	09/15/99*
Design		
Contract Execution	10/01/00*	10/01/00*
Construction Document Submittal	11/13/01*	11/13/01*
Jurisdictional Approvals	11/27/01*	11/27/01*
Construction Bid and Award	07/02/02	09/10/02
Construction		
Substantial Completion	04/14/03	06/02/03
Acceptance	06/17/03	08/04/03

*Indicates completed activity

II. PROJECT BUDGET SUMMARY

Budget Category	Project Budget	Impact of This Action	Revised Project Budget
Construction			
(a) Construction	\$ 389,200	\$	\$
(b) Bid Range Budget (10 percent)	<u>39,000</u>		
Subtotal	\$ 428,200	\$ 176,300	\$ 604,500
(c) Change Orders (15 percent)	<u>64,300</u>	<u>26,300</u>	<u>90,600</u>
Subtotal	\$ 492,500	\$ 202,600	\$ 695,100
Consultant Services			
(a) Design Services	\$ 84,700	\$	\$ 84,700
(b) Construction Management	90,700		90,700
(c) Survey, Testing & Inspections	<u>6,200</u>	\$	<u>6,200</u>
Subtotal	\$ 181,600		\$ 181,600
Miscellaneous Expenditures			
(a) Print/Blueprinting	\$ 500	\$	\$ 500
(b) Legal Advertising	<u>5,000</u>		<u>5,000</u>
Subtotal	\$ 5,500	\$	\$ 5,500
Jurisdictional Review and Plan Check	\$ 2,100	\$	\$ 2,100
County Services	\$ 66,300	\$ 46,400	\$ 112,700
TOTAL	\$ 748,000	\$ 249,000	\$ 997,000

August 29, 2002

ENCLOSURE B

**LAC+USC MEDICAL CENTER INTERNS/RESIDENTS DORMITORY
EARTHQUAKE RECOVERY PROJECT
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The project includes earthquake repairs and Title 24 compliance work to the 156,000-square-foot, nine-story LAC+USC Medical Center Interns/Residents Dormitory.

Bid Opening Date:

May 21, 2002

Bid Summary:

<u>Bidder</u>	Lump Sum Bid	Additive Alternates Bid	Total* Bid
1. Syram International, Inc.	\$ 468,000	\$136,500	\$ 604,500
2. QCM Construction, Inc.	\$ 439,800	\$186,700	\$ 626,500
3. Pinnacle Development	\$ 515,423	\$ 60,552	\$ 575,975**

*The low bid was determined based on the total bid, including the base contract lump sum, Alternatives 2 and 3, and an allowance for relocation of offices. The contract will be issued for the total bid amount.

** Pinnacle Development requested and received approval to be relieved of its bid due to a clerical error in computing its bid.

Financial Information:

Public Works' fair construction cost estimate is between \$311,400 and \$428,000.